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[illegible] (1945) Department.

[illegible] SERIES.

G.O. No. [illegible]

Dated 30th January 1945

[Despatch Abstract.]

Committees - Economic Sub-Committee of the Cabinet - Constituted.

GOVERNMENT OF MADRAS

(Abstract)

COMMITTEES - Economic Sub-Committee of the Cabinet - Constituted.

Development Department

G.O.Ms.No.433, Dated 30th January 1948

O R D E R:

His Excellency the Governor ofMadras directs that an Economic Sub Committee of the Cabinet be constituted with the following Hon'ble Ministers as members:-

1. The Hon'ble the Premier (Chairman)
2. The Hon'ble Minister for Industries
3. The Hon'ble Minister for Agriculture
4. The Hon'ble Minister for Finance.

2. The Committee will co-ordinate and integrate all economic and development programmes and policies of the Government and watch and expedite their subsequent execution.

3. The Economic Adviser to Government will be the Secretary to the Committee when he is appointed and the Joint Secretary to Government, Development will act as Secretary to the Committee till then. The Committee will have power to ~~accept~~ Co-opt the concerned Hon'ble Minister and the Secretary of the Department as members when subjects relating to their portfolios are discussed.

(By Order of His Excellency the Governor)

Sd/ ** **
** **

To the Personal Assistant to the Hon'ble Premier
To the Principal Private Secretary to the Hon'ble Premier
To the Personal Assistants to all Hon'ble Ministers
To the Departments of the Secretariat (All Sections)

(True copy)

Superintendent,
Madras Record Office.

aj/24.7

The following is an extract from a letter dated 19th December 1947 which I have received from the Hon'ble Prime Minister of India:-

> "We have appointed here a Cabinet Sub Committee to go into Economic questions and I suggest it would be a good idea if you have a similar Sub Committee of your Cabinet to discuss economic problems in so far as they affect your Province. The Ministers tend to get submerged under various affairs of day-to-day administration. These affairs are important enough, but it seems to me of the greatest importance that some at least of the Ministers must be in a position to devote continuous thought to the question of ways and means of fulfilling the primary economic functions of Government. It is necessary also as I explained in my speech to the Associated Chambers that we must deal with these problems with the same sense of urgency as in the event of war."

I feel that we must immediately take steps to form a Cabinet Sub Committee for discussing Economic problems. The functions of the Sub-Committee will have also to be clearly defined.

Will Development Secretary please put up proposals urgently in consultation with Hon'ble Minister (Industries) and Hon'ble Minister (Finance) ?

O.P.R.
31-12-47
Hon'ble Premier.

To the Development Secretary
Copy to the Hon'ble Minister (Industries)
" " (Finance).

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be examined and
posals put up by 6th
morning. The office-
note will be discussed by J.S. and self
on 6th.

** **
3-1-47.

p.t.o.

Development Department.

A.S.

Submitted for perusal of the extracts of the letter from the Hon'ble Prime Minister of India and the minutes of Hon'ble Premier at p.1 ante. The Press Report of the former's speech at the annual meeting of the Associated Chambers of Commerce in Calcutta will be found under the caption "Economic Development of India" at (Z)

The Hon'ble Prime Minister has intimated the formation of a Cabinet Sub-Committee by the Union Government to discuss economic problems and has suggested the formation of a similar Committee by this Government to attend to similar Provincial questions. He has indicated that the prime functions of the Committee should be to devote continuous thought to the question of ways and means of fulfilling the primary economic functions with the same sense of urgency as in the event of war. H.Pr. has agreed with the necessity for forming such a Committee for this Province and has indicated that their functions should be clearly defined

In his speech, the Hon'ble Prime Minister has referred to some of the economic problems awaiting solution by the Governments and has given his opinion in respect of them. He has indicated that to improve, agriculture, industries should also be encouraged as both could not be separated. As regards the reform of land system, he has stressed the necessity for giving this first priority and regarding the various development schemes, he has stated that every priority should be given as they would give more power for industries and more land for cultivation. He has indicated the necessity for the maintenance of a balance between urban and rural economy. Prevention of concentration of industries in certain localities, encouragement of large and small industries in certain localities, encouragement of large and small industries, consideration of the problems of distribution along with those of production, prevention of outsiders getting into Trade Unions and establishment of Tribunals for settlement of trade disputes. In the matter of industrialisation he has stated that he would welcome foreign assistance and technicians and that however he would reserve the country's economic independence. Regarding the basic economic policy in the matter of industries he did not desire to commit his Government. He has however stated that some of the basic industries would have to be State-owned or State-controlled, that state control may be exercised in the shape of a public corporation and that in addition it may be inevitable to have, when planning, a measure of state direction or control over other industries, also leaving over a large field for private enterprise.

So far as this Province is concerned the Government have sanctioned the post of an Economic Adviser and the appointment of an Officer to this post is under consideration When the officer is appointed he will be submitting his views and remarks on economic problems for consideration by the Government. The Industrial Planning Committee appointed by the Government have submitted their preliminary report and their final report is expected shortly. The recommendations will have to be considered on receipt of the latter report..

There is at present in this Province a Development Sub-Committee of the Cabinet consisting of seven members including the Hon. Premier for considering applications received from industrialists for sanction of capital issues a for issue of licence to import capital goods. The meetings of this Committee are periodically held and decisions are taken. In addition to these applications, questionsrelatin to the revision of policy in the grant of prospecting

licences....

licences and mining leases, the starting of more co-operative land colonisation societies for landless poor and the formation of a State Planning Commission which were ordered to be placed before the Committee were also considered by them.

In the matter of applications from industrialists for capital issues and for licences to import capital goods from abroad, the present Committee consider the questions from several aspects of the industrial problems, such as, regionalisation, availability of raw materials, prevention of over-production etc and the same Committee can also consider the economic problems such as setting of Labour Tribunals, reform of the land system, development schemes, policy towards Trade Unions, licensing of industries, State trading schemes, encouragement of industries etc. The Premier and the Hon'ble Hon. Ministers in charge of Cottage Industries, Industries, Public Works, Finance, Agriculture, Revenue and Food are represented in the Committee and most of the economic problems to be considered relate to their portfolios. It is for consideration therefore, whether the present Development Sub-Committee will be converted into the Economic Sub-Committee of the Cabinet with the existing members.

As regards the functions of the Committee, it is submitted that they will have to consider all questions detailed in the foregoing paragraph and such other economic questions as will be referred to them by individual H.Ms. for consideration. General economic policies which are ordered by the Committee to be placed before the full Cabinet will be submitted to the Cabinet for final decision.

For orders.

The present Development Sub-Committee of the Cabinet can discharge the functions of the purpose of Economic Sub-Committee, for considering economic problems. If considered necessary we can get full details of the scope of activity and constitution of the Central Cabinet Sub-Committee from the Government of India for our guidance.

** **5-1-48
J.S.

I held this up to discuss with the Central Government officers the constitution and functions of the Central Committee. That Committee consists of the Ministers for Finance, Commerce & Industry and the Minister without portfolio. The functions have not been clearly defined, but are understood to be the supervision of the execution of the economic policy decisions of the Government. Policies are laid down by numerous other Committees.

Our position is different. Our policy decisions are taken in Departments and it seems to me that we should first endeavour to co-ordinate and integrate all economic and developmental programmes and policies of the Government at the level of Ministers and watch and expedite their subsequent execution. For this a small Committee different from the Development Sub-Committee with its limited functions, may be constituted. I suggest the following constitution:-

H.Pr., H.M.(Ind.), H.M.(Agri.), H.M.(Fin.O

Provision may be made for co-opting the H.M. and Secretary concerned when subjects affecting their portfolios are discussed. The Secretary of the Committee should be the Economic Adviser to the Government.

** **16-1-48
S.

p.t.o.

Submitted for orders. The above may be approved and for the present, the functions of the Committee may be defined in general terms. As regards the Secretary to the Committee, I think the Economic Adviser is the obvious choice . But I do not know if the post is going to be filled up or not. If not,. perhaps Secretary, Development or ~~xxxxx~~ Joint Secretary, Development may be the Secretary.

** **1741-48

H.S.R. H.M.(Ind.)
K.M. " (Agri.)
B.G.R. " (Fin.)
O.P.R. H.Pr.

Dev. (P & D IV)

To A.S.

(Orders in circulation on p.6 above)

A draft order is submitted below for approval. Public and Finance may see.

Public (Special) Deptt.

May be perused and passed on to Finance Department.

K.R.M.
28-1-48

C.S.R.
Finance/Department

Orders in circulation and the notes of Development on pp.1-6 above and the draft order below may be perused and the case returned to Development.

V.K.R.
29-1-48

May issue

** **29-11-48
J.S. (Dev.)

(Issued as G.O.Ms.No.433 Development, dated 30-1-48).

(True copy of note file)

for Superintendent,
Madras Record Office.

aj/24.7